

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A JOINT APPLICATION FOR THE APPROVAL OF)
DEMAND-SIDE MANAGEMENT PROGRAMS, A DSM)
COST RECOVERY MECHANISM, AND A CONTINUING) CASE NO. 93-150
COLLABORATIVE PROCESS ON DSM FOR)
LOUISVILLE GAS AND ELECTRIC COMPANY)

O R D E R

On December 1, 1995, the Louisville Gas and Electric Company ("LG&E"), in conjunction with its Demand-Side Management Collaborative ("Collaborative"), filed a joint application for LG&E to recover in rates the costs associated with new Demand-Side Management ("DSM") and conservation programs and changes to existing programs. The new programs are intended to supplement the existing initial programs previously approved by the Commission. The joint application is supported by the Collaborative's 1996 Demand-Side Management Program Plan ("DSM Plan") which includes new tariffs for gas and electric service. The new tariffs, to be effective February 1, 1996, reflect higher rates to recover the costs of the new programs and increases in the costs of the initial programs.

In approving the initial programs by Order dated November 12, 1993, the Commission explicitly stated that any new programs should be supported by cost-benefit analyses. However, it appears that no such analyses were performed for most of the new programs. This omission will necessitate further proceedings pursuant to KRS

278.190 to determine the reasonableness of the proposals included in the application and DSM Plan.¹

IT IS THEREFORE ORDERED that:

1. The proposed tariffs be and they hereby are suspended for five months from February 1, 1996 up to and including June 30, 1996.

2. A public hearing shall be held at 10:00 a.m., Eastern Standard Time on March 14, 1996 in Hearing Room No. 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky.

3. LG&E shall file no later than March 7, 1996, proof that notice of the hearing was given pursuant to 807 KAR 5:011, Section 8(5).

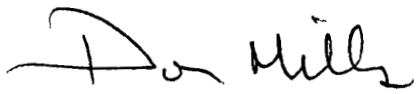
4. Nothing in this Order shall prevent the Commission from issuing further Orders or entering a final decision in this case prior to the termination of the suspension period.

Done at Frankfort, Kentucky, this 31st day of January, 1996.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:



Executive Director

¹ The Collaborative's administration of the initial programs is also a potential issue for hearing.